

SPECIAL NOTICE

April 14, 2006

For further information contact:
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Retailers of Fountain Drinks B&O Tax Credit for Syrup Tax Paid

Retailers that pay syrup tax when buying carbonated beverage syrup to make carbonated fountain drinks can claim a business and occupation (B&O) tax credit. Credit is not allowed for syrup tax paid before **July 1, 2006**. (Substitute Senate Bill 6533, Chapter 245, Laws of 2006)

The B&O tax credit increases each year as follows:

Time Period	Portion of syrup tax allowed
July 1, 2006 to June 30, 2007	25%
July 1, 2007 to June 30, 2008	50%
July 1, 2008 to June 30, 2009	75%
After June 30, 2009	100%

Requirements for the B&O Tax Credit:

- Syrup must be used by the buyer in making carbonated drinks sold by the buyer;
- Credit must be claimed in the tax reporting period when the syrup was purchased;
- Unused credit may be carried forward to future reporting periods for a maximum of one year (12 months from the end of the tax reporting period when the credit was earned);
- Credit may not exceed the B&O tax due; and
- No refunds for credits.

The credit must be itemized under the Credits section of the tax return when being claimed.

For more information on the syrup tax, go to <http://dor.wa.gov>:

- click on "Laws and Rules"
- scroll down to "Complete List of Excise Tax RCWs" and click on it
- scroll down to chapter 82.64 RCW (Revised Code of Washington)

To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users please call 1-800-451-7985.